

September 30, 2011

To: Executive Board

Subject: **2011 Legislative Summary**

Recommendation

Receive and file the September 2011 Legislative Summary. There are no recommended positions on bills this month.

Analysis

A summary of state and federal legislation and its status is attached. The Legislature has begun its interim recess as the first year of the 2011-12 legislative session draws to a close. September 9th was the last day for both houses to pass bills to the governor's desk. The governor has until October 9th to sign or veto bills. The California Transit Association (CTA) was pleased to report that almost all of their priority bills were passed by the Legislature and are now awaiting a signature by Governor Brown.

At the state level, it has been a good year for transit. The year's biggest legislative victory was achieved with the restoration of state funding that had been eliminated just two years ago. In March, the Legislature approved the transit-related aspects of the Governor's proposed state budget for 2011-12. That plan retained the transit funding enhancements achieved through 2010's "Gas Tax Swap," including calibration of the sales tax rate on diesel fuel in order to maintain a \$330 million State Transit Assistance (STA) program for FY 2011-12, and \$350 million going forward.

The restoration of the STA represented a stark turnaround from previous years, in which roughly a billion dollars a year in transit-dedicated funding was diverted to fill holes in the General Fund. That trend culminated in 2009 with the complete elimination of the STA, which for more than 30 years (since the days of Governor Ronald Reagan) had been the only ongoing source of state funding for day-to-day transit operations. The plan was codified with Brown's signing of the final overall budget agreement in July.

On the federal front, the House of Representatives passed the Surface and Air Transportation Extension Act of 2011 (H.R. 2887), which extends the authorization of transit and highway programs at current levels for six months through March 31, 2012. If passed by the Senate and signed by the President, this will be the eighth extension of SAFETEA-LU, the surface transportation authorizing law. The bill also extends Highway Trust Fund (HTF) expenditure authority and federal motor fuels taxes for the same length of time. The bill is considered "clean" and does not make program or policy changes.

The bill provides \$24.78 billion in contract authority from the HTF of which \$4.18 billion is for Federal Transit Administration (FTA) formula and bus programs. The Capital Investment Grant program (New Starts/Small Starts) is funded at \$800 million. Although the bill extends contract authority at current levels, the final amount spent will be determined within the appropriations process. Last week, the House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies (THUD) approved the FY 2012 THUD

Executive Board Meeting – 9/30/11
2011 Legislative Summary
Page 2

Appropriations bill providing drastically reduced spending levels for Highway Trust Fund/Mass Transit Account programs.

President Obama unveiled an outline of his \$447 billion American Jobs Act proposal in front of a rare joint session of Congress, of which infrastructure investment is a major component. The American Jobs Act contains \$50 billion for immediate surface transportation investment, with \$9 billion dedicated to public transportation; \$2 billion for intercity passenger rail service; \$4 billion for high-speed rail; and \$5 billion for the multimodal Transportation Investment Generating Economic Recovery (TIGER) and Transportation Infrastructure Finance and Innovation Act (TIFIA) programs.

The President's proposal also includes \$10 billion for a National Infrastructure Bank (NIB), modeled after a Senate proposal championed by Senators John Kerry (D-MA) and Kay Bailey Hutchison (R-TX). The NIB would operate independently of any federal agency and finance projects of regional and national significance, generally at least \$100 million in size. Eligible project types include transportation, water, and energy infrastructure. The NIB would issue loans and loan guarantees for projects that have a clear public benefit, meet rigorous economic, technical, and environmental standards, and are backed by a dedicated source of revenue.

In his remarks urging Congress to move quickly in passing the American Jobs Act, President Obama called on the Joint Select Committee on Deficit Reduction, created as part of the agreement to raise the debt ceiling, to find additional savings to offset the cost of his plan. The Joint Select Committee is tasked with developing legislation that will reduce the deficit by up to \$1.5 trillion through FY 2021. The Joint Committee must vote to approve its deficit reduction recommendations by November 23, 2011, and a vote on passage of the Joint Committee bill must occur in the House and Senate on or before December 23, 2011. If passage does not occur, across-the-board spending cuts will be automatically implemented.

Financial Impact

This year's restoration of STA funding has provided Foothill Transit with approximately \$3 million in additional operating dollars. We are unable to determine at this time what the federal proposal's impact on the Foothill Transit budget would be.

Sincerely,



David Reyno
Director of Government Relations



Doran J. Barnes
Executive Director

2011 Legislation Summary

Current as of 9/16/2011

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 147	Dickinson	Existing law under the Subdivision Map Act authorizes cities and counties to charge developer fees to defray the costs of infrastructure improvements to support development projects. Development impact fees levied under the Subdivision Map Act are charged as a condition of approval of a final map or building permit. Current law limits the use of these fees for the mitigation of traffic impacts to bridges and major thoroughfares. AB 147 would authorize a local agency to also use this fee for transit, bicycle, and pedestrian facilities.	This bill could mean more local money provided to Foothill Transit for facility construction.	Signed by the Governor & Chaptered by the Secretary of State - 9/6/2011	CTA - Support	Support Position Adopted 3/25/2011
AB 345	Atkins	Would require the Department of Transportation (Caltrans) to ensure that any committee or formal group of the California Traffic Control Devices Committee (CTCDC) includes representation from all users of the road, including public transit, thereby improving the implementation of complete streets policies.	This bill will make certain that the interests of state public transit agencies including Foothill Transit are represented on the CTCDC.	Now a 2 Year Bill	CTA - Support	Support Position Adopted 5/27/2011
AB 485	Ma	Would provide an optional financing mechanism to allow transit agencies greater incentives and opportunities to explore transit-oriented development (TOD) options with local governments. Furthermore, if a city or county wishes to pursue a TOD project with a local transit agency within an existing "transit village development district," they may pursue an agreement setting forth the conditions by which bonds could be issued to develop and make improvements to a specific transit station.	This bill would provide Foothill Transit greater opportunities to work with our member cities and the County to pursue transit oriented development partnerships.	Now a 2 Year Bill	CTA - Support	Support Position Adopted 4/27/2011
AB 650	Blumenfeld	This bill would establish the Blue Ribbon Task Force on Public Transportation for the 21st Century and would require the task force to be comprised of 12 specified members appointed by the Senate Committee on Rules and the Speaker of the Assembly by March 31, 2012. The bill would require the task force to prepare a written report that contains specified findings and recommendations relating to the current state of California's transit system, the estimated cost of creating the needed system over various terms, and potential sources of funding to sustain the transit system's needs, and to submit the report by March 31, 2013, to the Governor and other key legislative bodies.	We understand that members of the environmental community will have a role on the Task Force which brings an important voice for transit into the mix who has not been actively involved previously.	Passed by the Legislature and Awaiting Action by the Governor	CTA -- Support LA Metro - Support	Support Position Adopted 3/25/2011
AB 1097	Skinner	Would require the Secretary of the Business, Transportation and Housing Agency to authorize a state or local agency receiving federal funds for transit purposes to provide a bidding preference to a bidder if the bidder meets or exceeds Buy America requirements applicable to federally funded transit projects.	Existing federal guidelines preclude state transit agencies that receive federal funds from crediting American-made products and manufacturing at a greater than 60% level unless a state Buy American provision exists in statute that is more stringent than Federal Transit Administration (FTA) standards. The State of California currently has no such preference law. By authorizing transit agencies to assign more credit to bidders that use a higher percentage of domestic content	Passed by the Legislature and Awaiting Action by the Governor	CTA -- Support	Support Position Adopted 8/26/2011

2011 Legislation Summary

Current as of 9/16/2011

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
SB 582	Emmerson	Existing law requires transportation planning agencies to undertake various transportation planning activities, including preparation of a regional transportation plan and also requires transportation planning agencies that are designated under federal law as metropolitan planning organizations (MPO's) to include a sustainable communities strategy as part of the regional transportation plan for their region. SB 582, beginning on January 1, 2013, would authorize a metropolitan planning organization, in partnership with the local air quality management district, to adopt a commute benefit ordinance that requires covered employers operating within the common jurisdiction of the organization and district with 20 or more covered employees to offer those employees certain commute benefits.	than federal guidelines require, this bill may assist in stimulating more manufacturing in this country to support transit needs and create jobs in the United States and California. Additional commuter benefits could mean more potential riders on Foothill Transit's system.	vetoed by the Governor -- 8/1/2011	CTA – Support	Support Position Adopted 3/25/2011
H.R. 1380	Sullivan	The New Alternative Transportation to Give Americans Solutions Act of 2011 is designed to promote a switchover from petroleum-based fuels to natural gas for transportation. The bill would provide a variety of tax breaks to transit agencies, trucking companies, vehicle owners and vehicle manufacturers to transition from gasoline and diesel to natural gas and provide approximately \$5 billion in subsidies over a five year period. Transit agency tax breaks would include amending the Internal Revenue Code to allow an excise tax credit through 2016 for alternative fuels and fuel mixtures involving compressed or liquefied natural gas.	The extension of the alternative fuels excise tax credit until 2016 would provide Foothill Transit with an ongoing operating funding source for the next five years.	House Committee on Energy and Commerce	Clean Energy	Support